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C O N F I D E N T I A L SECTION 01 OF 02 PARIS 001687

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TAGS: PGOV EFIN ECON PREL PINR FR EU

SUBJECT: MICHEL BARNIER: WHO IS THE NEW EU COMMISSIONER FOR INTERNAL

MARKETS?

Ref: A) Brussels 1616 B) 05 Paris 3682 C) Paris 177 D) Paris 796 E) 07 Paris 4139 F) 08 Paris 2319 G) 07 Paris 510 H) 05 Vilnius 153 I) 05 Paris 734

CLASSIFIED BY EMIN SETH WINNICK FOR REASONS 1.4 (B & D)

- (C) SUMMARY: Michel Barnier's selection as European Commissioner for the Internal Markets is the culmination of years of maneuvering for a senior EC post. As Foreign Minister, Barnier called for a strong Europe based on a "Franco-German" rather than "Anglo-Saxon" model, and as Agriculture Minister Barnier aggressively promoted protectionist policies in Europe and globally. His track record suggests that recent concerns from the financial world (ref A) about his appointment to position with responsibility for European financial sector regulation are well-founded. However, Barnier is first and foremost a political animal, and his anti-free market, sometimes anti-U.S. views mainly reflect his interest in promoting himself as a European champion. Barnier's ambitions probably do not stop at being EU Commissioner for Internal Markets, and he is likely to compromise on principles and align himself with policies he believes will embellish and advance his position. End summary.
- $\P2$. (U) Michel Barnier was born in 1951 in Grenoble, and holds a business degree from the Ecole Superieure de Commerce de Paris. In 1978 he became the youngest elected member of the National Assembly, when he won over his local Savoie constituency for the gaullist RPR party. He subsequently served this region for seventeen consecutive years, both at the head of the local executive and on the national level as Member of the National Assembly and as Senator. Barnier was France's Minister of the Environment from 1993 to 1995 and Minister of European Affairs from 1995 to 1997. From 2004 to 2005 he was Minister of Foreign Affairs, and from 2005 to 2007 was Minister of Agriculture and Fisheries. Barnier's first stint as an EU official began in 1999 when he joined the European Commission as Commissioner in charge of Regional Policy and the Reform of European Institutions, a position in which he worked on the constitutional framework for defense cooperation in Europe. Barnier has written extensively on European integration and environmental issues. He was elected Vice-President of the European People's Party in 2006.
- (U) Barnier's selection as European Commissioner of Internal Markets, a position over which the U.K. and France have wrangled for months, has been controversial. This is the first time France has held the prestigious post, and President Sarkozy responded to Barnier's appointment saying it is "very reassuring that it is French ideas about regulation that are winning out in Europe." In his own statements in support of the European Constitution in 2005 Barnier said, "I believe there are two visions of Europe; one Franco-German, the other Anglo-Saxon, which is pushing for a supermarket-type Europe with a minimum amount of regulation and a maximum of competition. A 'no' victory will open the door to a free trade Europe, Anglo-Saxon style" (ref B).
- (C) Barnier often sees U.S. objectives as contrary to French or European goals (ref C). As agriculture minister during France's EU presidency, for example, Barnier emerged as the leading proponent of the idea that societal concerns and European Preference should be trade policy criteria, and used this rationale to argue against the importation of a number of products including U.S. poultry subject to

pathogen reduction treatment (ref D) and genetically modified organisms (GMOs). Strident though his views were, Barnier came to them late. Drawing on his service on the board of a French biotech company, Barnier, as newly-appointed Agriculture Minister, sought to create a high commission on biotech to foster public debate on genetically modified organisms (GMOs) when he was blind-sided by Environment Minister Louis Borloo's announcement of a total GMO ban in October 2007 (ref E). In 2008, Barnier blamed the world food crisis on the international trading system and used this as a pretext to call for regional entities, similar to the European Common Agricultural Policy, to use protection and regulation to promote "regional preference" and reduce dependence on imports (ref F). He also called for a revamped WTO that takes into account societal preferences.

15. (C) COMMENT: Michel Barnier's track record suggests that recent concerns (ref A) over his about appointment to position with responsibility for European financial sector regulation are well-founded. However, Barnier is first and foremost a politician. Years of contact with Barnier give this Embassy the impression of man with more ambition than principle. He changed his views on Turkish EU membership, for example, to align himself with President Sarkozy (ref G), waivered in his support for fellow EU members when Russian interests were at stake (ref H) and as French foreign minister, gave conflicting signals on Iraq (ref I). Throughout it all he has publicly chosen to cast himself as a European champion, often deliberately contrasting his, and European, ideas to those of the United States. He has maneuvered himself at long last into a European Commissioner position, but his ambitions probably do not stop at the Single Market portfolio. He will likely to continue his record of compromising on principles and aligning himself with whichever views he believes offer him the best chance of personal

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advancement.